



AAC Clyde Space to acquire Spacemetric AB

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AAC Clyde Space ("AAC Clyde Space") has today entered into a share sale and purchase agreement, whereby AAC Clyde Space acquires 100 percent of the outstanding shares in Spacemetric AB ("Spacemetric") for a consideration amounting to approximately MSEK 16 and possible earn-outs based on certain milestones of up to a total of approximately MSEK 9 (the "Transaction"). Closing of the Transaction is subject to inter alia approval under the Swedish Protective Security Act.

Summary of the Transaction

- The Transaction expands AAC Clyde Space's range of services within Space Data as a Service ("SDaaS") and Missions, bringing in-house key capabilities for Earth Observation image processing for analytics and AI and will be a part of the xSPANCION enabled Cyclops constellation at AAC Clyde Space.
- The total consideration amounts to a maximum of approximately MSEK 25, out of which approximately MSEK 16 shall be paid in connection with closing of the Transaction, which in turn shall be divided into approximately MSEK 8 in cash consideration and approximately MSEK 8 in shares in AAC Clyde Space. The earn-out shall amount to approximately MSEK 9 and shall be paid based on the achievement of certain earn-out milestones. The earn-out shall be divided between approximately MSEK 4 in cash consideration and approximately MSEK 5 in warrants which entitles to subscribe for shares in AAC Clyde Space, provided that the earn-out milestones are achieved. The purchase price is subject to a post-closing adjustment, pursuant to which the cash consideration shall be adjusted. Such adjustment shall be based on the difference between the normalized working capital and the final net working capital.
- The consideration shares shall be subject to lock-up undertakings for a period ranging from 360-810 days following the first day of trading of the shares and the earn-out shares, which can be subscribed for by exercising the warrants, shall be subject to lock-up undertakings for a period of 360 days following the first day of trading of such shares.

Luis Gomes, AAC Clyde Space CEO commented the Transaction: *"The acquisition of Spacemetric is an exciting milestone and a key step in the growth of AAC Clyde Space's SDaaS business. It will bring to the group an advanced capability to process and catalogue Earth Observation data, making it ready for analytics algorithms and AI information extraction. As our xSPANCION enabled Cyclops constellation becomes a reality, generating vast amounts of data every day, Spacemetric's capabilities will allow us to deliver better data and more valuable analytics products to our customers, faster. Furthermore, Spacemetric's software solutions, which can run stand alone, in the cloud or on board satellites, offer an unparalleled flexibility to our Earth Observation Mission customers, who can now get a full solution for their earth imaging data needs when procuring data or a satellite from AAC Clyde Space. We are very pleased to welcome the Spacemetric team and we look forward to our joint work to expand our market."*

Background and rationale

Spacemetric is a leading provider of geospatial data management systems for satellite and airborne imaging and video sensors, transforming raw data into imagery products ready for analytics and AI. For the financial year 2023, Spacemetric's turnover was approximately MSEK 14.3 and had a positive net result amounting to approximately MSEK 817, and is well positioned for further growth.

The Transaction

The total consideration to be paid in the Transaction amounts to a maximum of approximately MSEK 25, out of which MSEK 16 to be paid in connection with closing of the Transaction. The MSEK 16 shall be divided between MSEK 8 to be paid in cash and approximately MSEK 8 to be paid by issuance of 188,000 shares in AAC Clyde Space. The purchase price is subject to a post-closing adjustment, which, if the net working capital is higher than the normalized net working capital, shall increase the total consideration by an amount corresponding to the difference between the normalized net working capital and the final net working capital, and should the net working capital be lower than the normalized net working capital, the purchase price shall be decreased by an amount corresponding to the difference between the normalized net working capital and the final net working capital. The total number of consideration shares have been based on the volume weighted average market price of AAC Clyde Space's shares on Nasdaq First North Premier Growth Market for 20 consecutive trading days prior to 3 July 2024. The earn-out of approximately MSEK 9 is conditional upon the achievement of certain earn-out milestones based on inter alia Spacemetric's revenue for the financial years 2024-2026. Out of the MSEK 9, approximately MSEK 4 will be paid in cash and approximately MSEK 5 will be paid by issuance of warrants in AAC Clyde Space, which can be exercised for subscription of 106,800 shares in AAC Clyde Space. The exercise price of the warrants for subscription of shares shall correspond to the quotient value of the Company's shares (currently SEK 2.00) and the warrant holders shall be entitled to a cash payment corresponding to the quotient value in connection with subscription of such shares. The warrants may only be exercised for subscription of shares provided that the earn-out milestones are fulfilled. If all earn-out milestones are achieved, the shares issued as a result of the Transaction will result in a dilution of approximately 4.91 percent, and provided that no earn-out milestones are achieved, the dilution will amount to approximately 3.19 percent.

Closing of the Transaction

Closing of the Transaction subject to customary conditions to closing as well as approval under the Swedish Protective Security Act and is expected to take place during Q3 2024. In connection with closing, the board of directors in AAC Clyde Space will, with support from the authorisation granted at the annual general meeting held on 23 May 2024, resolve to issue 188,000 shares and 106,800 warrants to the current shareholders in Spacemetric, entailing a total increase of AAC Clyde Space's share capital with SEK 589,600, provided that all earn-out milestones are fulfilled and that the warrants are exercised for subscription of shares.

Lock-up undertakings

The consideration shares received as payment on closing are subject lock-up undertakings, whereby one third of the shares are subject to a lock-up for 360 days from the first day of trading on Nasdaq First North Premier Growth Market, one third of the shares are subject to a lock-up for 630 days from the first day of trading on Nasdaq First North Premier Growth Market and one third of the shares are subject to a lock-up for 810 days from the first day of trading on Nasdaq First North Premier Growth Market. Further, the shares issued by exercise of the warrants will be subject to a lock-up for 360 days from the first day of trading on Nasdaq First North Premier Growth Market.

Advisors

PwC acts as financial advisor and Setterwalls Advokatbyrå AB acts as legal advisor to AAC Clyde Space in connection with the Transaction.

FOR MORE INFORMATION:

Please visit: <http://www.aac-clyde.space> or contact:

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ABOUT AAC CLYDE SPACE

AAC Clyde Space specialises in small satellite technologies and services that enable businesses, governments and educational organisations to access high-quality, timely data from space. Its growing capabilities bring together three divisions:

Space Data as a Service - delivering data from space directly to customers

Space missions - turnkey solutions that empower customers to streamline their space missions

Space products and components - a full range of off-the-shelf and tailor-made subsystems, components and sensors

AAC Clyde Space aims, in our chosen markets, to become a world leader in commercial small satellites and services from space, applying advances in its technology to tackle global challenges and improve our life on Earth.

The Group's main operations are located in Sweden, the United Kingdom, the Netherlands, South Africa and the USA, with partner networks in Japan and South Korea.

AAC Clyde Space's shares are traded on Nasdaq First North Premier Growth Market. The Company's Certified Adviser is Carnegie Investment Bank AB (publ). The share is also traded on the US OTCQX-market under the symbol ACCMF.